



8011-01
SECURITIES AND EXCHANGE COMMISSION

Proposed Collection; Comment Request

Upon Written Request, Copies Available From
Securities and Exchange Commission
Office of FOIA Services
100 F Street, NE
Washington, DC 20549-2736

Extension: Form N-PX

SEC File No. 270-524, OMB Control No. 3235-0582

Notice is hereby given that, pursuant to the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*) (“Paperwork Reduction Act”), the Securities and Exchange Commission (the “Commission”) is soliciting comments on the collection of information summarized below. The Commission plans to submit this existing collection of information to the Office of Management and Budget (“OMB”) for extension and approval.

Rule 30b1-4 (17 CFR 270.30b1-4) under the Investment Company Act of 1940 (15 U.S.C. 80a-1 *et seq.*) requires every registered management investment company, other than a small business investment company registered on Form N-5 (“funds”), to file a report on Form N-PX not later than August 31 of each year. Funds use Form N-PX to file annual reports with the Commission containing their complete proxy voting record for the most recent twelve-month period ended June 30.

The Commission estimates that there are approximately 2,376 funds registered with the Commission, representing approximately 11,818 fund portfolios that are required to file Form N-PX reports. The 11,818 portfolios are comprised of approximately 7,111 portfolios holding equity securities, 3,249 portfolios holding no equity securities, and 1,458 portfolios holding fund

securities (*i.e.*, fund of funds).¹ The currently approved burden of Form N-PX for portfolios holding equity securities is 7.2 hours per response, the current burden estimate for funds holding no equity securities is 0.17 hours (10 minutes) per response, and the current burden estimate for fund of funds is 1 hour per response. Therefore, the number of aggregate burden hours, when calculated using the current number of portfolios, is approximately 53,210 hours.² We continue to believe that these estimates for Form N-PX's current burden are appropriate. Based on the Commission's estimate of 53,210 burden hours and an estimated wage rate of approximately \$345 per hour,³ the total cost to reporting persons of the hour burden for filing Form N-PX is approximately \$18.44 million.⁴

The estimated cost burden of Form N-PX is \$1,000 in external costs per portfolio holding equity securities that is paid to third-party service providers. External costs for portfolios holding no equity securities have previously been estimated to be zero because portfolios holding no equity securities generally have no proxy votes to report and therefore do not require third-party service providers to assist with proxy voting and preparing reports on Form N-PX. The

¹ The estimate of 2,376 funds is based on the number of management investment companies currently registered with the Commission. The Commission staff estimates that there are approximately 6,385 portfolios that invest primarily in equity securities, 726 "hybrid" or bond portfolios that may hold some equity securities, 2,831 bond portfolios that hold no equity securities, and 418 money market fund portfolios, and 1,458 fund of funds, for a total of 11,818 portfolios required to file Form N-PX reports. The staff has based its portfolio estimates on a number of publications. *See* Investment Company Institute, Trends in Mutual Fund Investing (April 2017); Investment Company Institute, Closed-End Fund Assets and Net Issuance (First Quarter 2017); Investment Company Institute, ETF Assets and Net Issuance (April 2017).

² $(7,111 \text{ portfolios that hold equity securities} \times 7.2 \text{ hours per year}) + (3,249 \text{ portfolios holding no equity securities} \times 0.17 \text{ hours per year}) + (1,458 \text{ portfolios holding fund securities} \times 1 \text{ hour per year}) = 53,210 \text{ hours.}$

³ The hourly wage figure for a compliance attorney is from the Securities Industry and Financial Markets Association's Management & Professional Salaries in the Securities Industry 2013, modified by Commission staff to account for an 1800-hour work-year and inflation and multiplied by 5.35 to account for bonuses, firm size, employee benefits and overhead.

⁴ $53,210 \text{ hours} \times \$345 \text{ per hour} = \$18,357,288.$

estimated cost burden of Form N-PX for fund of funds is estimated to be \$100 per portfolio because fund of funds generally either have no proxy votes to report; or if proxy votes are reported, they are generally limited in the number of securities and the number of voting matters relative to portfolios holding equity securities. Therefore, the aggregate cost burden, when calculated using the current number of portfolios, is approximately \$7.3 million in external costs.⁵ We continue to believe that these estimates for Form N-PX's current cost burden are appropriate.

Estimates of average burden hours and costs are made solely for the purposes of the Paperwork Reduction Act and are not derived from a comprehensive or even representative survey or study of the costs of Commission rules and forms. Compliance with the collection of information requirements of Form N-PX is mandatory. Responses to the collection of information will not be kept confidential. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number.

Written comments are invited on: (a) whether the collection of information is necessary for the proper performance of the functions of the Commission, including whether the information has practical utility; (b) the accuracy of the Commission's estimate of the burden of the collection of information; (c) ways to enhance the quality, utility, and clarity of the information collected; and (d) ways to minimize the burden of the collection of information on respondents, including through the use of automated collection techniques or other forms of information technology. Consideration will be given to comments and suggestions submitted in writing within 60 days of this publication.

⁵ $(7,111 \text{ portfolios holding equity securities} \times \$1,000 \text{ per year}) + (3,249 \text{ portfolios holding no equity securities} \times \$0 \text{ per year}) + (1,458 \text{ fund of funds} \times \$100) = \$7,256,800.$

Please direct your written comments to Pamela Dyson, Director/Chief Information Officer, Securities and Exchange Commission, C/O Remi Pavlik-Simon, 100 F Street, NE, Washington, DC 20549; or send an email to: PRA_Mailbox@sec.gov.

Eduardo A. Aleman
Assistant Secretary

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